

**Vernon Parish Tax Agency Fund  
Of the Vernon Parish School Board  
Leesville, Louisiana**

**Financial Statements  
As of and for the Year Ended June 30, 2001**

**Vernon Parish Tax Agency Fund  
Of the Vernon Parish School Board**

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## Independent Auditors' Report

Board Members  
Vernon Parish School Board  
Leesville, Louisiana

We have audited the financial statements of the Vernon Parish Tax Agency Fund of the Vernon Parish School Board as of and for the year ended June 30, 2001, as listed in the table of contents. These financial statements are the responsibility of the Vernon Parish School Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the Vernon Parish Tax Agency Fund are intended to present the assets and liabilities and the changes in assets and liabilities of only that portion of the reporting entity of the Vernon Parish School Board that is attributable to the transactions of the Vernon Parish Tax Agency Fund.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities of the Vernon Parish Tax Agency Fund of the Vernon Parish School Board, as of June 30, 2001, and the changes in assets and liabilities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 19, 2001, on our consideration of the Vernon Parish Tax Agency Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

*Allen, Green & Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
October 19, 2001

**Vernon Parish Tax Agency Fund  
Of the Vernon Parish School Board  
Notes to the Financial Statements**

**Statement of Assets and Liabilities  
June 30, 2001**

**Statement A**

**ASSETS**

Cash

NONE

Total Assets

NONE

**LIABILITIES**

Deposits due others

NONE

Total Liabilities

NONE

The notes to the financial statements are an integral part of this statement.

**Vernon Parish Tax Agency Fund  
Of the Vernon Parish School Board  
Notes to the Financial Statements**

**Statement of Changes in Assets and Liabilities  
For the Year Ended June 30, 2001**

**Statement B**

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Ending</u>
<u>ASSETS</u>				
Cash	\$ <u>-</u>	\$ <u>14,899,632</u>	\$ <u>14,899,632</u>	\$ <u>-</u>
<u>LIABILITIES</u>				
Deposits due others	\$ <u>-</u>	\$ <u>14,899,632</u>	\$ <u>14,899,632</u>	\$ <u>-</u>

The notes to the financial statements are an integral part of this statement.

**Vernon Parish Tax Agency Fund  
Of the Vernon Parish School Board  
Notes to the Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The Vernon Parish Tax Agency Fund has been formed under joint agreement of the Vernon Parish School Board, the Vernon Parish Police Jury, the City of Leesville, the Town of New Llano, the Town of Rosepine and the Town of Hornbeck for the collection of sales, use taxes and other fees, in accordance with Louisiana Revised Statutes 33:2844.

**A. REPORTING ENTITY** For financial reporting purposes, in conformance with GASB Statement No. 14, the Vernon Parish Tax Agency Fund is an agency fund of the Vernon Parish School Board. Accordingly, the accompanying financial statements present only the accounts of the tax agency fund and are not intended to present fairly the financial position and results of operations of the Vernon Parish School Board in conformity with accounting principles generally accepted in the United States of America. The Vernon Parish Tax Agency Fund is included as part of the general-purpose financial statements of the Vernon Parish School Board.

**B. FUND ACCOUNTS** A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into one category, fiduciary. The category, in turn, is divided into separate "fund types." Fiduciary funds are used to account for assets held for others. The tax agency fund requires the use of a fiduciary fund as described below:

**Fiduciary Fund** — The Vernon Parish Tax Agency Fund is used to account for the collection and distribution of sales and use taxes imposed by the various taxing authorities within the parish. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

**C. FIXED ASSETS AND LONG-TERM OBLIGATIONS** Fixed assets used by the tax agency are accounted for in the general fixed asset account group of the Vernon Parish School Board. The tax agency has no long-term obligations at June 30, 2001.

**D. BASIS OF ACCOUNTING** The basis of accounting for an agency fund is the modified accrual basis. The measurement focus is custodial, since the fund is not involved with the performance of governmental services. An agency fund has no revenues or expenditures and therefore there is no fund balance or need to measure the results of operations for a period.

**E. BUDGETS** The custodial nature of an agency fund means there is no need to adopt a budgetary accounting system, therefore one has not been adopted.

**F. VACATION, SICK LEAVE, AND PENSION PLANS** Employees at the Vernon Parish Tax Agency Fund are employed by the Vernon Parish School Board. The School Board is obligated for leave benefits and contributions to the pension system. Information on leave benefits and pension plans is available in the general-purpose financial statements of the Vernon Parish School Board for the year ended June 30, 2001.



**Vernon Parish Tax Agency Fund  
Of the Vernon Parish School Board  
Notes to the Financial Statements**

**G. USE OF ESTIMATES** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - CHANGES IN DEPOSITS DUE OTHERS** A summary of changes in deposits due others for the year ended June 30, 2001, is as follows:

BALANCE, Beginning	\$ -
ADDITIONS:	
Sales tax collections	<u>14,899,632</u>
DEDUCTIONS:	
Taxes distributed to others:	
Vernon Parish School Board	7,421,554
Vernon Parish Police Jury	5,531,410
City of Leesville	1,758,621
Town of New Llano	91,186
Town of Rosepine	81,450
Town of Hornbeck	<u>15,411</u>
Total deductions	<u>14,899,632</u>
BALANCE, Ending	<u><u>\$ -</u></u>

**NOTE 3 - COMMITMENTS AND CONTINGENCIES** The Vernon Parish Tax Agency is not involved in any litigation at June 30, 2001, nor is it aware of any unasserted claims.



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## **Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

### **Board Members**

Vernon Parish School Board  
Leesville, Louisiana

We have audited the financial statements of the Vernon Parish Tax Agency Fund of the Vernon Parish School Board as of and for the year ended June 30, 2001, and have issued our report thereon dated October 19, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

As discussed in Note 1, the financial statements of the Vernon Parish Tax Agency Fund are intended to present the assets and liabilities and the changes in assets and liabilities of only that portion of the reporting entity of the Vernon Parish School Board that is attributable to the transactions of the Vernon Parish Tax Agency Fund.

### **Compliance**

As part of obtaining reasonable assurance about whether the Vernon Parish Tax Agency Fund of the Vernon Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Vernon Parish Tax Agency Fund of the Vernon Parish School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.



This report is intended for the information of the Board, management, the Vernon Parish Police Jury, the City of Leesville, the Town of New Llano, the Town of Rosepine, and the Town of Hornbeck, and is not intended to be and should not be used by anyone other than the specified parties.

*Allen, Green + Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana

October 19, 2001